

VZCZCXR06043
PP RUEHDBU
DE RUEHKV #4063/01 2931639
ZNY CCCCC ZZH
P 201639Z OCT 06
FM AMEMBASSY KYIV
TO RUEHC/SECSTATE WASHDC PRIORITY 0127
INFO RUCNCIS/CIS COLLECTIVE
RUEHZG/NATO EU COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 KYIV 004063

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E.O. 12958: DECL: 10/20/2016

TAGS: [PREL](#) [ECIN](#) [ETRD](#) [CVIS](#) [EUN](#) [UP](#)

SUBJECT: UKRAINE: PREPARATIONS ON TRACK FOR EU SUMMIT

REF: KIEV 3569

Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d)

¶1. (C) Summary: With just a week to go, the EU and Ukraine are still working to finalize a key document to be initialed at the October 27 Ukraine-EU summit in Helsinki -- a visa facilitation agreement and an associated readmission agreement. Ukrainians are insisting that the provisions of the readmission agreement be suspended for a three-year transitional period; the EU is insisting on two years. With the long process of government formation after the March parliamentary elections, the EU and Ukrainian MFA did not have the normal lead-time to prepare for the summit. In addition to the visa facilitation and readmission agreements, the EU and Ukraine will note completion of a memorandum of cooperation on agriculture and agreements supplementary to the Ukraine-EU memorandum on energy signed at the 2005 summit. In another sign of governmental discord, the Ukrainian MFA has still not provided the EU presidency of Finland's embassy with its delegation list. During his October 19 visit to Kyiv, EU High Representative Solana stressed the importance of WTO accession as a key step toward establishment of a Ukraine-EU free trade agreement. End summary.

Schedule and Delegation

¶12. (C) Finnish Embassy 2nd Secretary Jukka Pajarinens provided an update during an October 20 meeting on preparations for the October 27 Ukraine-EU summit to take place in Helsinki. President Yushchenko would arrive in Helsinki on the evening of October 25, make a bilateral visit October 26, and then the summit with the EU would take place October 27 as a two-hour meeting, followed by lunch and a press conference. Yushchenko and his delegation would return to Ukraine the same evening. Pajarinens noted the Ukrainian government had yet to provide the delegation list, but it should include representation from the Ministry of Economy, probably the Minister, and the Minister of Health, who would take part in a health-related meeting that would take place in Helsinki along with the summit meeting. Pajarinens opined the delegation might not apply to the Finnish Embassy for visas until the morning of the very day that the delegation would depart.

Sticking Points

¶13. (C) At an October 18 lunch, Ukrainian DFM Andriy Veselovskiy pleaded with EU Special Representative for Moldova Adriaan Jakobovitz de Szeged for EU flexibility and agreement on issuing a joint communique after the summit. He said such communiqes were a useful listing of accomplishments between Ukraine and EU over the past 12

months; communiqus had been issued after summits for a decade, and the absence of a communique would be interpreted as a downgrading of the relationship. Prime Minister Yanukovych had made two trips to Brussels in a short space of time, and the Ukrainian government needed to demonstrate that his special effort had been productive. Veselovskiy said he was particularly concerned at how the Russian media would distort the change in procedure.

¶14. (SBU) EU Secretariat staffer Annika Weidemann, also in the conversation, pointed out to Veselovskiy that the EU was increasingly moving away from joint communiqus and, in fact, had stopped the practice after EU-Russia meetings several iterations ago. She rejoined that the Ukrainian government could play the absence of a communique as a move that brought Ukraine on a parity with Russia. Pajarinensaid later that both sides are working on a text, with a decision to be made on whether the text would be a "communique" or a press release.

¶15. (C) Veselovskiy also offhandedly noted the readmission agreement, which is part of a package that includes a visa facilitation agreement (see reftel), was nearly completed and included a suspension of the agreement's provisions for a two-year period. He mildly remarked that the transition period was less than the three years given the Russians. Pajarinensaid the Ukrainians were still continuing to insist on a three-year transitional period, arguing that the similar Ukraine-Russia agreement was not going to enter into force for three years. If the Ukraine-EU agreement were to become effective earlier, Ukraine would not be able to repatriate illegals to Russia that had transited Ukraine into the EU.

¶16. (C) Pajarinensaid, if the Ukrainians did not agree to two
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years, the agreement would probably not be initialed in Helsinki. The EU was arguing that, since the Russia readmission agreement had been signed earlier, the Russian and Ukrainian agreements were likely to become effective at about the same time. A second three-year transition period would set a bad precedent for ongoing EU discussion with Balkan countries and Pakistan. Pajarinensaid the EU position was that the visa facilitation provisions were more favorable to Ukraine than the equivalent Russian agreement, so the total package was better for Ukraine. The EU was prepared to provide the 170 million euros that Ukraine said would be necessary to prepare additional detention facilities and upgrade border controls, but this sum would be taken out of the existing assistance pot for Ukraine.

Solana's Visit

¶17. (C) Pajarinensaid EU High Representative for the Common Security and Foreign Policy Javier Solana's October 19 visit to Kyiv had touched only tangentially on the upcoming summit.

Solana met with newly appointed NSDC Secretary Vitaly Haiduk, of whom he formed a good impression, had a meeting and lunch with PM Yanukovych, met with opposition politician Yuliya Tymoshenko, received a Ukrainian government award, and then dined privately with President Yushchenko. He left early on October 20.

¶18. (C) Solana reported to EU ambassadors that he had a frank discussion with Yanukovych, who Solana thought was working earnestly to improve Ukraine's economic conditions. Solana had emphasized the importance of Ukraine's joining WTO, a prerequisite to any discussion of establishing a Ukraine-EU free trade agreement. Yanukovych had responded he hoped to obtain passage of WTO-related legislation by the end of November with the hope of joining WTO by March 2007. In general, Solana had the impression that Ukraine needed greater political stability and less influence of business interests in forming government policy.

¶9. (C) According to Pajarinens, during his meeting with Yanukovych, Solana had stressed the importance of getting an agreement on visa facilitation and readmissions, since the package would be the only tangible deliverable for the summit. In an interview with the weekly, English-language Kyiv Post, EC Representative to Ukraine Ian Boag also noted preparation of a memorandum of cooperation in agriculture, which would fill in an area not addressed in the Ukraine-EU Action Plan, and a follow-up to the memorandum of understanding on energy. Pajarinens told us the memorandum on agriculture had been signed earlier during the week of October 16 in Brussels, which fact would be noted at the summit.

¶10. (U) Visit Embassy Kyiv's classified website:
www.state.sgov.gov/p/eur/kiev.
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